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Classification confusion hampers dangerous cargo declaration

Keith Wallis, Special Correspondent | Feb 08, 2019 10:35AM EST

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A myriad of different cargo classifications and codes is hampering shippers' efforts to properly declare dangerous cargoes to ocean carriers, even as Maersk, Hapag-Lloyd, and others [ramp up crackdown efforts following a spate of ship fires](#).

Pointing to ways products can be wrongly declared, Peregrine Storrs-Fox, risk management director at transport and logistics industry insurer TT Club, said some dangerous goods suffer from the sheer number of ways they can be described. Gard, the Norwegian headquartered protection and indemnity club, has, for example, identified 14 alternative descriptions of calcium hypochlorite used in shipping documents, including bleaching powder, Caporit, CCH, chlorinated lime, and lime chloride.

Calcium hypochlorite is suspected as the cause of the fire on board the 6,350-TEU container ship *APL Austria* off the coast of South Africa in February 2017.

Applying complex and mismatching coding regimes for differing purposes, such as customs and transport, let alone diverse regional and national requirements, can potentially lead to incorrect descriptions of materials, Storrs-Fox added.

"The issue is to tease out those differences in coding that might lead to inconsistent and potentially hazardous results," he told JOC.com.

The industry's understanding "when it comes to declaration and compliance for ocean shippers is lagging behind a bit, and I think more general promotion and training is needed," said Paul Tsui Hon-yan, managing director of Hong Kong-headquartered freight forwarder the Janel Group. Tsui, a former chairman of the Hong Kong Association of Freight Forwarding and Logistics, said those involved in ocean freight lag behind those in the air cargo industry in understanding the risks associated with dangerous goods.

Misdeclaration and improper packing of dangerous goods has come under renewed focus following container ship fires onboard *APL Vancouver* on Jan. 31 and the *Yantian Express* on Jan. 3.

Storrs-Fox noted there is an average of a container ship fire every 60 days. "They may or may not be due to dangerous goods that have been misdeclared or undeclared. But it is scary. Ship fires almost invariably involve some element of misdeclaration. If cargo is properly declared then it can go through entire supply chain safely," he told JOC.com.

Explaining the danger, Storrs-Fox said misdeclaration and poor packing of dangerous goods are believed to have been partly responsible for a raft of container ship fires in recent years.

These include the [fatal Maersk Honam fire](#) last March, the *APL Austria* fire in February 2017, and the deadly *MSC Flaminia* fire in July 2012.

Outreach and awareness

Based on the number of hazardous cargoes that had been wrongly declared to carrier Hapag-Lloyd through its Cargo Patrol system, Storrs-Fox estimates "somewhere around 150,000 boxes a year are ticking time bombs."

The TT Club met with the World Customs Organization (WCO) to raise awareness of the risks giving rise to these dangerous goods incidents and engender debate about the underlying issue, including improving the level of harmonization. Describing the meeting as "exploratory", Storrs-Fox said it is the first time he has met with the WCO, pointing out that the organization and government customs entities have a national priority to collect tax on the cargo and they may not have the same priority when it comes to cargo safety.

At the same time, the WCO is one of a raft of intergovernmental bodies that include the International Maritime Organization (IMO), International Labour Organization and the UN's World Food Programme that have an interest in the safe shipment of products.

He and colleagues at TT Club continue to meet with carriers and shippers around the globe, as well as industry associations, such as the International Federation of Freight Forwarders Associations (FIATA), to discuss these concerns.

These talks come as ocean carriers and shippers have launched various initiatives to improve the way hazardous cargoes are declared while cracking down on misdeclared products.

Such initiatives include the cargo integrity #Fit4Freight campaign launched by transport and logistics insurer TT Club in association with the Global Shippers Forum, the World Shipping Council, and the International Cargo Handling Coordination Association (ICHCA). Separately, Maersk Line has recently implemented a pilot inspection scheme for import and export cargo with the National Cargo Bureau at four US terminals: Newark Berth 88, Houston Bayport, Miami Pomtco, and New Orleans Ceres.

Hapag-Lloyd has teamed up with IBM to promote and further develop the Cargo Patrol software, which scans bookings for suspicious descriptions, including synonyms or brand names, instead of correct designations, across the industry.

The carrier said Cargo Patrol gets about 1,200 potential hits per day of shipments that require a deeper investigation. It added there were more than 11,000 incorrectly declared bookings between 2015 and 2017, according to the latest available figures.

In 2014 and 2015, Hapag-Lloyd shut out close to 7,000 shipments from being transported due to improperly declared dangerous goods or other sensitive commodities.

Hapag-Lloyd chief executive Rolf Habben Jansen said, "One of the things that we are trying to push very hard is that if people misdeclare goods, we share this information between all the lines so that all of us can start to check and, if needed, ban those shippers to prevent misdeclared cargo getting on board, which would materially reduce of the risk that something goes wrong when one of the ships is at sea."

Information from the inspections is fed into the cargo incident notification system (CINS), which includes 17 carrier members, including Maersk, CMA CGM, Ocean Network Express, OOCL, and Crowley.

Storrs-Fox would not comment on whether some areas such as China are worse than others for misdeclared dangerous goods, saying there weren't enough data available to reach a conclusion.

"Organizations like the IMO are not receiving sufficient data from member governments to understand a geographic pattern," he said. "My gut reaction is that consolidated boxes are not the problem. The issue is with full container loads. In general, forwarders are doing the right thing; they know how to secure it, how to declare it and put it into the supply chain. It's reasonable to assume they are doing the right thing."

Cargoes of concern

Storrs-Fox highlighted charcoal and calcium hypochlorite in particular as dangerous goods that carry risks not fully appreciated by shippers. Other cargoes of particular concern include cotton, wool, fishmeal, seedcake, wood and timber, metal, and other wastes.

He pointed out Indonesia is one of six main charcoal-producing areas. Given how charcoal is traded, it is difficult communicating to local charcoal producers and consolidators that special care should be taken when packing and properly declaring charcoal for eventual shipment overseas.

"The supply chain needs to be deconstructed for the risks to be better communicated to the producers and consolidators," Storrs-Fox said.

"The complexity of the supply chain is like looking into a fog. I want to influence people I can reach and then empower them to reach people I can't see," he added.

Risks associated with shipping charcoal could be tackled through submissions to the UN Sub-Committee of Experts, recommending that all charcoal cargoes should be classified as dangerous goods, but the earliest such a change could take effect is 2022, Storrs-Fox said.

Like calcium hypochlorite, there are many goods with multiple product types shippers may use to describe the material on shipping documents, which can hide the potential risk of carrying those goods.

"Part of the drill down is that some materials can have a dozen product types. If we could sort out how materials are described, it would have an impact on safety," Storrs-Fox.

Contact Keith Wallis at keithwallis@hotmail.com.

Comments

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This has gone on for decades,

Permalink Submitted by [ferrullig@minds...](mailto:ferrullig@minds.com) on Feb 8, 2019 11:43AM EST

This has gone on for decades, some of it confusion, some of it deliberate. There are those who simply don't want to pay dangerous cargo charges so they omit its content from their shipping instructions, or call it non-hazardous chemicals, or swimming pool equipment. They don't consider are care about the consequences. If they do it 100 times a year and nothing happens, great. When it happens, a great deal of loss by many, including human loss. There has to be a way to address and stop this, up to and including jailing those who willfully misdeclare what they ship.

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Yes some of it because lack

Permalink Submitted by [kauraaajay@hotma...](mailto:kauraaajay@hotmail.com) on Feb 11, 2019 7:27AM EST

Yes some of it because lack of knowledge and some is deliberation but need to be addressed. To minimise such incidents there need to be awareness with all the stakeholders in the supply chain. For all export items H S code must be declared. Punitive action by state governments must be in place for any deliberate mis-declaration...

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